

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 32 – SB 1158

March 17, 2017

**SUMMARY OF ORIGINAL BILL:** Creates the Natural Disaster Relief Program, to be administered by the Tennessee Emergency Management Agency (TEMA), under which a county may request a grant to help offset the costs incurred by the county in responding to a natural disaster. Requires grants under the bill to be contingent upon the availability of funds specifically allocated for the program in the general appropriations act.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$120,000/One-Time  
Exceeds \$507,200/Recurring

**SUMMARY OF AMENDMENT (005176):** Deletes all language after the enacting clause. Creates the Emergency Relief Program, to be administered by the Tennessee Emergency Management Agency (TEMA), under which a political subdivision may request a grant to help offset the costs incurred by the county in responding to an emergency. Requires grants under the legislation to be contingent upon the availability of funds specifically allocated for the program in the general appropriations act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

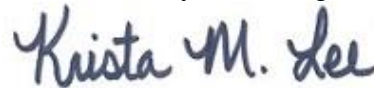
- Currently, TEMA administers federal grants upon declaration from the President of the United States.
- The provisions of the legislation allows individual political subdivisions to request TEMA grant assistance if an emergency has occurred within the political subdivision and the damages resulting from the emergency do not exceed the threshold for federal disaster relief.
- The amount of emergencies that will occur within a given year and the number of political subdivisions impacted cannot be reasonably determined. Given the lower

TEMA action request threshold in the provisions of the legislation, it is reasonably estimated TEMA will receive an increase in the number of grant assistance requests.

- Based on information provided by TEMA, the agency will require a minimum of one additional administrative position at \$47,733 annually (\$35,000 salary + \$12,733 benefits) and three district coordinator positions, that will be required to investigate grant requests, at \$169,434 annually [(\$42,500 salary + \$13,978 benefits) x 3] to administer the newly-created state grant program. The recurring increase in state expenditures for new positions is estimated to exceed \$217,167 (\$47,733 + \$169,434).
- Additional expenditures for supplies, IT expenses, and travel expenses for the new program are reasonably estimated to exceed \$40,000 annually.
- A one-time increase in state expenditures of \$120,000 (\$40,000 x 3 vehicles).
- Grants in the program are contingent upon the availability of funds that have been specifically allocated by the Tennessee General Assembly for the program in the general appropriations act.
- Grants disbursed pursuant to the legislation shall not exceed \$250,000 per grant issued. The extent to which the grants will be funded is not known, but is reasonably estimated to exceed one fully funded grant, or \$250,000 per year.
- The total recurring increase in state expenditures is estimated to exceed \$507,167 (\$217,167 salaries and benefits + \$40,000 supplies + \$250,000 grant funding).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/dwl